

STATE OF MISSISSIPPI - DE SOTO CO.

JAN 9 11 25 AM '97

BK 73 PG 545
W.E. DAVIS CH. CLK.**DECLARATION OF TRUST****Identity of Trustors and Trust Estate**

CLEMENS G. KRUSE, JR. and SANDRA K. KRUSE hereinafter sometimes called "Trustee", hereby declare that CLEMENS G. KRUSE, JR. and SANDRA K. KRUSE, husband and wife, herein called "Trustors" or separately called "husband" or "wife", have transferred and delivered to Trustee all of their right, title and interest in and to the properties described in the Asset Lists attached hereto. These properties constitute the separate and community property of the Trustors as delineated in the Asset Lists, and all property now or hereafter subject to the Trust shall constitute the trust estate, and shall be held, managed and distributed as hereinafter provided.

Marital and Family Status

The Trustors are married and the names and birth dates of the Trustors' now living children are as follows:

KIMBERLY KAY DAVIS

November 12, 1963

CLEMENS SCOTT KRUSE

April 19, 1966

The Trustors have no other children, nor issue of deceased children, either living or deceased. All references herein to "children of the Trustors" shall be deemed to refer to the above named children.

ARTICLE I**CLASSIFICATION OF PROPERTY****A. Character of Trust Assets**

The community property assets placed in this Trust are and shall remain, together with the income therefrom the community property of husband and wife. The separate property assets of each Trustor placed in this Trust are and shall remain, together with the income therefrom, the separate property of the respective Trustor who placed it in the Trust.

ARTICLE II
RIGHTS RESERVED BY TRUSTORS

A. Right to Amend

The Trustors, acting jointly, while both are living and competent, may amend this Trust and any Amendment thereto by agreement, in writing, executed by both Trustors and the Trustee. Following the death of either Trustor, with the other Trustor surviving, the surviving Trustor, while living and competent, may amend Trust A and any Amendment thereto by an agreement, in writing, executed by such Trustor and the Trustee, but Trust B may not be amended. After the death of the surviving Trustor, all trusts created under this Declaration of Trust, may not be amended.

B. Right to Revoke

During the lifetime of both Trustors, the community property portion of the trust estate may be revoked, in whole or in part, by either Trustor, and any separate property portion of the trust estate may be revoked by the Trustor creating it. Revocation shall be by an instrument, in writing, executed by the revoking Trustor or Trustors and delivered to the Trustee. In the event of such revocation, the entire community property portion of the trust estate, or the revoked portion, shall revert to both Trustors as their community property and the separate property portion of the trust estate shall revert to the Trustor creating it, and shall constitute his or her separate property as if this Trust had not been created. Following the death of either Trustor, the surviving Trustor, while living and competent, by written instrument executed by said Trustor and delivered to the Trustee, may revoke Trust A, in whole or in part, but Trust B shall be irrevocable. After the death of the surviving Trustor, this Trust shall be irrevocable.

C. Right to Add Property to Trust

The Trustors, or any other person, may from time to time, with the consent of the Trustee transfer additional property -- real, personal or mixed, to the trust estate, or any part thereof, by Deed, Assignment, bequest or devise; and if so added, such property shall be subject to the provisions hereof, as if originally included hereunder.

ARTICLE III
DISTRIBUTION OF INCOME AND PRINCIPAL

A. Income to Trustors While Both are Living

The net income from the community property shall be paid in monthly or other convenient installments to or for the benefit of the Trustors during their joint lifetime. The net income of the separate property shall be paid in monthly or other convenient installments to or for the benefit of the Trustor who contributed such separate property during said Trustor's lifetime.

B. Invasion of Principal While Both are Living

In addition to the net income as delineated above, the Trustee shall distribute out of the principal of the trust estate to or for the benefit of the Trustors during their joint lifetime, such sums as the Trustors jointly shall request. Such distribution shall be paid from the community property and the separate property of the trust estate in accordance with the directions of the Trustors in such joint request, and in the absence of such directions, shall be paid first from the community property to the extent the community property is sufficient, and then equally from the separate property of each Trustor to the extent the community property is not sufficient.

C. Invasion of Principal During a Trustor's Incapacity

If either Trustor, in the opinion of the Trustee, becomes incapacitated or is for any reason unable to request payment, the Trustee may pay to or for his or her benefit so much of the principal of the trust estate as the Trustee, in its discretion, deems necessary or proper for his or her reasonable health, education, support and maintenance, and any such distribution shall be paid first out of such Trustor's separate property to the extent such separate property is sufficient, then out of the community property to the extent it is sufficient, and finally out of the other Trustor's separate property.

D. Payment of Debts Upon Trustor's Demise

Upon the death of either Trustor, the Trustee, in the Trustee's discretion, may pay the deceased Trustor's expenses, debts and taxes as hereinafter provided.

E. Division of Trust Estate into Trusts A and B Upon Death of One Trustor

Upon the death of either Trustor with the other Trustor surviving, the Trustee

shall segregate and divide the trust estate remaining into two Trusts to be designated Trusts A and Trust B, which shall constitute two separate trusts, and shall be held and administered as such. All references in this instrument to "trust" or "trust estate" are intended to and shall refer to each of said separate trusts and to the trust estate of each of them. The Trustee may hold undivided interests in property in each of said trusts.

(1) Contents of Trust A (Survivor's Trust) Trust A shall consist of the following:

(a) The surviving Trustor's vested interest in the community property of the trust estate and his or her separate property of said trust estate.

(b) That pecuniary amount of the trust estate which, when added to the total value for federal estate tax purposes of all other interests in property that pass or have passed from the deceased Trustor to the surviving Trustor under other provisions of this Trust, or the deceased Trustor's Will, or otherwise, and that are includable in the deceased Trustor's gross estate for federal estate tax purposes and qualify for the Marital Deduction, equals the smallest sum which, if subtracted from the value of the deceased Trustor's gross estate as finally determined for federal estate tax purposes, would result in the minimum federal estate tax payable after taking into account all other available deductions taken from the deceased Trustor's gross estate and all available credits (including the federal credit for State Death Taxes to the extent that the application of such credit will not increase the amount of any State Death Tax otherwise payable) taken against the federal estate tax that have not been offset by lifetime transfers made by the deceased Trustor.

The Trustee shall satisfy the amount so determined in cash, or in kind, or partly in each with assets eligible for the Marital Deduction, and the assets allocated in kind shall be deemed to satisfy this amount on the basis of their values at the date or dates of distribution to Trust A.

(c) Any other property which is designated for this Trust from the deceased Trustor's probate estate or otherwise.

(2) Contents of Trust B (Deceased Spouse's Tax Credit Trust) Trust B shall consist of the following:

(a) The balance of the trust estate not otherwise allocated.

(b) Any other property specifically designated for this Trust from the probate estate of either Trustor or otherwise.

(3) **Marital Deduction** The term "Marital Deduction" shall be interpreted to mean the Unlimited Marital Deduction provided for in Section 2056 of the Internal Revenue Code of 1986. The terms "gross estate" and "interests in property which pass or have passed", as used in this Trust shall have the same meanings as they have under the Marital Deduction provisions of the Internal Revenue Code. It is intended that the provisions of this Trust relating to the Marital Deduction, including any power, duty or discretionary authority, comply with the Marital Deduction provisions of the Internal Revenue Code and they shall be construed to conform to that intent and to the extent any such provision cannot be so construed it shall be deemed to be void. The term "effective disclaimer" shall mean a disclaimer meeting and satisfying the requirements of Section 2518 of the Internal Revenue Code of 1986, as amended.

(4) **Distributions to Surviving Trustor after Death of First Trustor to Die from Trust A** Provisions for Trust A:

(a) The net income from Trust A shall be paid in monthly or other convenient installments but in no event less frequently than annually to or for the benefit of the surviving Trustor during the remainder of his or her lifetime.

(b) There is hereby reserved to the surviving Trustor the right to withdraw periodically any part of Trust A up to the whole thereof.

(c) There is hereby reserved to the surviving Trustor the general power of appointment over the principal and any accrued and undistributed net income of Trust A remaining at his or her death, including the power to appoint to his or her own estate. Such power shall be exercised only by a written instrument, other than a Will, filed with the Trustee specifically referring to this general power of appointment.

(d) If and to the extent that the surviving Trustor fails to withdraw all of Trust A and to the extent that he or she fails to exercise the general power of appointment in the manner above specified over the balance of Trust A, then the principal

and the accrued and undistributed net income, if any, of Trust A remaining at his or her death, shall be added to and become a part of Trust B, except that the Trustee, in its discretion, may first pay therefrom expenses, debts and taxes as hereinafter provided.

(5) Distributions to Surviving Trustor after Death of First Trustor to Die from Trust B Provisions for Trust B:

(a) The net income from Trust B shall be paid in monthly or other convenient installments but in no event less frequently than annually to or for the benefit of the surviving Trustor during the remainder of his or her lifetime.

(b) If the income payments from Trust B to which the surviving Trustor is entitled shall be insufficient in the discretion of the Trustee to provide for his or her reasonable health, education, support and maintenance, the Trustee shall pay to the surviving Trustor, or apply for his or her benefit, so much of the principal as the Trustee may deem necessary for such purpose.

(6) Provisions for Distribution of Remaining Trust Estate Upon Death of Surviving Trustor Upon the death of the surviving Trustor, Trust B (together with any of Trust A that augments Trust B) shall be distributed as follows:

(a) The Trustee shall divide Trust B as then constituted, or the entire trust estate, as the case may be, into two equal shares as follows: one (1) share distributed directly to Trustor's son, CLEMENS SCOTT KRUSE, if living and if not living, to his then living issue, on the principle of representation; subject, however, to the provisions of subparagraphs (d) and (e) hereof; and as to the remaining one (1) share: twenty-percent (20%) shall be set aside for each then living grandchild of Trustors, that is an issue of KIMBERLY KAY DAVIS; subject, however, to the provisions of subparagraph (b) hereof, as to the remainder of this one (1) share, the Trustee is directed to distribute free of trust directly to KIMBERLY KAY DAVIS, if living and if not living, to her then living issue, on the principle of representation; subject, however, to the provisions of subparagraphs (d) and (e) hereof. The words "child," "children," "issue," and "descendants" as used in this Declaration of Trust shall include adopted children.

(b) With respect to the share set aside for Trustors grandchildren, that are the issue of KIMBERLY KAY DAVIS, the Trustee is directed to hold, administer, invest and reinvest such person's part of the trust estate for his or her benefit and apply so much of the net income and principal thereof as the Trustee, in its discretion, shall deem necessary for such person's reasonable health, trade, vocational or college education. Such payments may be made to the legal guardian or other person with whom such person resides, or directly to him or her, or otherwise, as the Trustee may from time to time deem advisable, and the Trustee shall accumulate for the benefit of such person any income not so applied or paid. In this regard, every effort should be made to determine that the property or income is, in fact, distributed to the beneficiary for his or her needs and support and not for the benefit of any other person. When such grandchild attains the age of twenty-five (25) years, the remainder of such share shall revert back to his or her parent, namely KIMBERLY KAY DAVIS.

(c) Should a child of the Trustors die before becoming entitled to receive distribution of the entire share set aside for him or her, such share or its undistributed remainder shall go and be distributed to his or her lawful issue living at the date of said child's death, on the principle of representation; subject, however to the provisions of paragraphs (e) and (f) hereof, or should no such issue be then living, such share shall go to augment equally the shares then held for the benefit of those previously distributed to the Trustors' other child or children, excluding the share of any child who is then deceased leaving no issue then living, but including the share of any deceased child of the Trustors leaving lawful issue then living. Any addition to a partially distributed share shall augment proportionately the distributed and undistributed parts of any share.

(d) While a grandchild of the Trustors is under twenty-one (21) years of age, the Trustee is directed to hold, administer, invest and reinvest such person's part of the trust estate for his or her benefit and apply so much of the net income and principal thereof as the Trustee, in its discretion, shall deem necessary for such person's reasonable health, education, support and maintenance. Such payments may be made to the legal guardian or other person with whom such person resides, or directly to him or her,

or otherwise, as the Trustee may from time to time deem advisable, and the Trustee shall accumulate for the benefit of such person any income not so applied or paid. In this regard, every effort should be made to determine that the property or income is, in fact, distributed to the beneficiary for his or her needs and support and not for the benefit of any other person. When such grandchild attains the age of twenty-one (21) years, the net income from his or her share shall thereafter be paid to or applied for the benefit of such grandchild in monthly or other convenient installments.

(e) When a grandchild, for whom a part shall be retained under the foregoing provisions, attains the age of twenty-five (25) years, any of such part then held for such person shall be distributed to him or her, and in case of the grandchild's death prior thereto, the Trustee shall distribute the balance of such grandchild's share or partial share of the trust estate to such grandchild's descendants on the principle of representation. If such grandchild should die leaving no descendants, all of the balance of such grandchild's partial share shall be added to the other partial shares and to the full shares then held and those previously distributed on the principle of representation.

(f) If the payments from this Trust to which any beneficiary is entitled, shall be insufficient in the discretion of the Trustee to provide for such person's reasonable health, education, support and maintenance, the Trustee shall pay to such person, or apply for his or her benefit, so much of the principal as the Trustee may deem necessary for such purpose. In this regard, everything possible should be done to accommodate the beneficiary's needs while he or she is attending an accredited college or university in pursuance of either an undergraduate or graduate degree. Such payment shall not exceed the principal of the share set aside for such person and shall be deducted from it.

(g) If all of the Trustors' children die without leaving issue, then the entire remaining trust estate, to the extent that it is not expended pursuant to the foregoing provisions, including accumulations thereon, shall pass and be distributed one-half (1/2) to the legal heirs of husband and one-half (1/2) to the legal heirs of wife as remainder interest and not by way of reversion. The identity and respective shares of said heirs shall be determined in all respects as though the death of both Trustors had occurred immediately

following the happening of the event requiring such distribution, and according to the laws of succession of separate property. The determination of the identity and the respective shares of such legal heirs shall be made by the Trustee, in its sole judgment, and discretion, and shall be conclusive on all such heirs and other persons interested in this Trust and the Trustee shall not be liable for any errors or omissions in making such determination.

F. Provisions for Trusts A and B:

(1) Spendthrift Protection The interest of beneficiaries in principal and income shall not be subject to claims of their creditors or others, nor to legal process, and may not be voluntarily or involuntarily alienated or encumbered.

(2) Right of Surviving Trustor to Occupy Residence The Trustee shall allow the surviving Trustor to occupy and use until his or her death the home (or any interest therein) used by either or both Trustors as a principal residence at the time of the decedent's death. The Trustee shall, at the discretion of the surviving Trustor, sell such home, and if the surviving Trustor so directs, purchase and/or build another comparable residence to be used as a home for the surviving Trustor, and so on from time to time. The surviving Trustor shall not be required to pay any rent for use of any such home. Subject to the foregoing occupancies, any such home or interest therein held by the Trustee or the proceeds from the sale thereof shall be part of the principal of these Trusts. All taxes, insurance, repairs and assessments concerning such home shall, in the discretion of the Trustee, be paid out of the trust estate containing such home. If the Trustee shall sell any such home and the surviving Trustor does not request acquisition of another home, the Trustee shall invest the proceeds of any such sale and shall administer and distribute the income and principal of such funds under the terms of this Trust.

ARTICLE IV

POWERS OF THE TRUSTEE

Powers of the Trustee in the Management of the Trust Estate

To carry out the purpose of the Trusts herein created and subject to any limitations stated elsewhere in this instrument, the Trustee is vested with the following powers, in

addition to any now or hereafter conferred by law, affecting the respective Trusts and trust estates:

A. To continue to hold any income-producing property and to operate at the risk of the trust estate any property or business received in this Trust, as long as it may deem advisable, the profits and losses therefrom to inure or be chargeable to the trust estate as a whole and not to the Trustee.

B. To manage, control, sell, convey, exchange, partition, divide, subdivide, improve, repair; to grant options and to sell upon deferred payments; to lease for terms within or extending beyond the duration of this Trust for any purpose, including exploration for and removal of gas, oil and other minerals; to enter into community oil leases, pooling and unitization agreements; to create restrictions, easements and other servitudes; to compromise, arbitrate or otherwise adjust claims in favor of or against the Trust; to institute, compromise and defend actions and proceedings; to carry such insurance as the Trustee may deem advisable.

C. To invest and reinvest the principal, and income if the Trustee is required to accumulate it, and to purchase or acquire therewith every kind of property -- real, personal or mixed, and every kind of investment, specifically including, but not by way of limitation, corporate obligations of every kind, Trustee's common trust funds, and stocks -- preferred or common, which men of prudence, discretion and intelligence acquire for their own account. The Trustee may hold securities or other property in its own name or its nominee without disclosing any fiduciary relationship.

D. To advance funds to this Trust for any trust purpose, such advance with interest at current rates to be a first lien on and to be repaid out of principal or income; to reimburse itself from principal or income for any loss or expense incurred by reason of its ownership or holding of any property in this Trust.

E. To borrow money for any trust purpose upon such terms and conditions as the Trustee may deem proper, and to obligate the trust estate for repayment; to encumber the trust estate or any of its property by mortgage, deed of trust, pledge or otherwise, using such procedure to consummate the transaction as the Trustee may deem advisable.

F. To have respecting securities all the rights, powers and privileges of any owner, including the power to pay reassessments and other sums deemed by the Trustee necessary for the protection of the trust estate; to acquire and hold title to any property in the name of the Trustee, either with or without any language showing that the property is held in Trust, or in the name of a nominee selected by the Trustee for that purpose; to participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers and liquidations and, in connection therewith; to deposit securities with and transfer title to any protective or other committee under such terms as the Trustee may deem advisable; to exercise or sell stock subscriptions or conversion rights; to accept and retain as an investment any securities or other property received through the exercise of any of the foregoing powers, regardless of any limitations elsewhere in this instrument relative to investments by the Trustee.

G. To buy, sell and trade in securities, "futures", commodities, precious metals and stone of any nature (including "short" sales) and including puts, calls, straddles and other options of every kind, on margin, and for such purpose may pledge any securities held or purchased by them with such brokers as securities for loans and advances made to Trustee.

H. The Trustee may purchase assets from, sell assets to, borrow money from, or loan money to, the estate of a deceased Trustor. The terms of such transaction shall be solely within the discretion of the Trustee and the Trustee shall incur no liability with regard thereto, whether or not such transaction may otherwise be legally made by the Trustee.

I. Upon any division, or partial or final distribution of the trust estate, to partition, allot and distribute the trust estate, in undivided interests or in kind, or partly in money and partly in kind, at valuations determined by the Trustee, and to sell such property as the Trustee may deem necessary to make division or distribution.

J. To budget the estimated annual income and expenses of the Trust in such a manner as to equalize, as far as practicable, periodic income payments to a beneficiary.

K. To employ any bank or trust company as custodian, and to employ investment advisors and others to assist in the administration and investment of the trust estate.

L. Except as otherwise specifically provided in this instrument, the determination of all matters with respect to what is principal and income of the trust estate, and apportionment and allocation of receipts and expenses between these accounts, shall be governed by the provisions of the Principal and Income Law from time to time existing. Any such matter not provided for either in this instrument or in the Principal and Income Law shall be determined by the Trustee in the Trustee's discretion.

M. The enumeration of certain powers of the Trustee shall not limit its general or implied powers, and the Trustee, subject always to the discharge of its fiduciary obligations, is vested with and shall have all rights, powers and privileges which an absolute owner of the same property would have.

ARTICLE V

RIGHT TO DIRECT INVESTMENT

A. Direction by Trustors to the Trustee

There is hereby reserved to the Trustors, acting jointly, the right to direct the Trustee, in writing, from time to time, to retain, sell, exchange or lease any property of the trust estate, to invest funds, or to purchase for the Trust any property which they may designate and which is acceptable to the Trustee. Upon receipt of such directions the Trustee shall comply therewith, and the Trustee is not required to sell, lease or exchange trust property, review or make recommendations regarding trust investments, or invest trust funds except upon their written directions, nor shall the Trustee be required to request such directions.

B. Supervision by the Trustee

The Trustors, acting jointly, from time to time, by written notice to the Trustee, may require that the Trustee, in addition to the services provided under the preceding paragraph, shall give to the property subject thereto such supervision and periodical review as is customarily given by a Trustee to like property under its fiduciary control, and shall, as frequently as it may deem necessary, make recommendations with respect to the retention, sale, exchange or leasing of such property at any time held

hereunder, and advise or recommend the investment of trust funds and the purchase of property for the trust estate.

C. One Trustor's Right to Act Alone

Upon the death of either Trustor or during such time as either Trustor shall be under guardianship or conservatorship or is, in the opinion and sole discretion of the Trustee or a court of competent jurisdiction, because of physical incapacity or for any other reason unable to exercise such rights and powers, the other Trustor, acting alone, shall have the right to exercise the rights and powers reserved to the Trustors hereunder except as otherwise provided herein.

D. Non-Liability of Trustee

The Trustee shall incur no liability to any beneficiary of this Trust for its advice and recommendations, or in following any such direction or for failure to act in the absence of directions.

E. Surrender of Powers by the Trustors

The Trustors, acting jointly, may, from time to time, by written instrument, surrender to the Trustee any of the rights and powers reserved to them hereunder, and may upon similar notice, resume their exercise. During such time as either Trustor, acting alone, shall have the right to exercise the rights and powers reserved to the Trustors hereunder, such Trustor, acting alone, may, from time to time, by written instrument, surrender to the Trustee any of the rights and powers reserved to such Trustor alone, hereunder, and may, upon similar notice, resume their exercise.

F. Trustee's Duties of Management

Upon the death of the surviving Trustor, or during such time as both Trustors, or the surviving Trustor, as the case may be, shall be under guardianship or conservatorship or shall have surrendered his or her or their joint rights hereunder or is or are, in the opinion and sole discretion of the Trustee or a court of competent jurisdiction, because of physical incapacity or for any other reason unable to exercise such rights, the Trustee shall have and exercise full powers and duties of management.

ARTICLE VI
GENERAL PROVISIONS

A. Trustee's Compensation for its Services

Any Trustee, appointed as Trustee of the Trust herein, may receive compensation for its services as is usually paid to fiduciaries in the community in which the Trustee is carrying on the business of the Trust.

B. Income to a Beneficiary

Except as otherwise provided herein, income accrued or in the hands of the Trustee for payment to any income beneficiary, at the termination of his interest or estate under this trust, shall go to the beneficiary entitled to the next succeeding interest. The Trustee shall not be required to prorate taxes and other current expenses to the day of termination.

C. Distributions to a Beneficiary under Disability

The Trustee may apply payments for the benefit of any beneficiary, or may make payments to any beneficiary under disability, to the guardian or conservator of the person of the said beneficiary under disability.

D. Payment of Trustors' Funeral Expenses, Debts and Taxes

Upon the death of each Trustor, the Trustee, in its discretion, may pay without apportionment, deduction or adjustment among the beneficiaries hereof, the following:

- (1) Last illness and funeral expenses of such Trustor;
- (2) Bona fide debts of such Trustor;
- (3) Estate and inheritance taxes due by reason of the death of such Trustor;
- (4) Expenses of administration incurred in administering such Trustor's probate estate;
- (5) All Inheritance and federal estate taxes attributable to this trust and payable on the death of the first Trustor to die, with the other Trustor surviving, shall be chargeable to the principal of Trust B and those such taxes payable on the subsequent death of the surviving Trustor shall be chargeable to Trust A.

(6) For purposes of this subparagraph, the Trustee shall be under no obligation to apply the proceeds of any life insurance policies on the life of either of the Trustors to the payment of the obligations and liabilities above described. The Trustee shall not, under any circumstances, use the proceeds from employee benefits exempt from federal estate taxation for the purpose of satisfying any such charges or expenses of the estate.

E. Successor Trustees

The Trustee shall have the right to resign at any time, and the Trustee may be removed at any time by the Trustors, acting jointly. If for any reason either CLEMENS G. KRUSE, JR. or SANDRA K. KRUSE shall refuse, be unable or cease to act as Trustee, then the other or survivor of them may continue to so act. If the other or survivor of them shall refuse, be unable or cease to act as Trustee, then CLEMENS SCOTT KRUSE and KIMBERLY KAY DAVIS shall be appointed as Co-Trustees. If for any reason CLEMENS SCOTT KRUSE or KIMBERLY KAY DAVIS shall refuse, be unable or cease to act as Trustee, then the other of them shall be appointed as Trustee. Upon any resignation or removal of the Trustee, a successor may be appointed by the Trustors acting together during their joint lifetimes. If a successor Trustee is not otherwise appointed pursuant to this paragraph, then a successor Trustee shall be appointed by a court of competent jurisdiction upon petition of the resigning Trustee or of any person interested in the Trust. Any successor Trustee shall have no responsibility for the acts or omissions of any predecessor and shall have no duty to audit or investigate the accounts or administration of a predecessor and shall have no duty to take action to obtain redress for breach of trust, unless expressly requested to do so in writing by a beneficiary of this Trust.

F. Division of Distribution in Kind or in Cash

The Trustee is authorized on any preliminary or final distribution of the property in the trust estate, to partition, allot, and distribute the estate, pro rata or otherwise, in kind, including undivided interests in the trust estate, or any part of it, or partly in cash and partly in kind, or entirely in cash, in the Trustee's absolute discretion. The Trustee shall have absolute discretion to select property to be allocated to the Trust or share created by this Trust or to be distributed in satisfaction of any Trust distribution provided for herein without regard to the income tax basis of such property and without regard to the

potential income tax consequences to the Trust beneficiaries, and the Trustee is specifically excused from any duty of impartiality with respect to the income tax of such property of the aforesaid income tax consequences to the beneficiaries; provided, however, that the Trustee shall not exercise this discretion in a manner that will result in a loss of, or decrease in, any marital or charitable deductions otherwise allowable in determining the Trustors' federal estate tax. The exercise by the Trustee of the discretionary powers herein granted shall be final and conclusive upon all interested persons and shall not be subject to any review.

G. Invalidity of Any Provision

If any provision of this Trust instrument is unenforceable, the remaining provisions shall nevertheless be carried into effect.

H. Governing Law

The Trust has been accepted by the Trustee in the State of California and its validity, construction and all rights hereunder shall be governed by the laws of the State of California.

I. Separate Accountings for Undivided Interests

There need be no physical segregation or division of the various trusts anticipated by this Declaration of Trust, except that segregation or division may be required by termination of any of the trusts, but the Trustee shall keep separate accounts for the different undivided interests.

J. Trust Name

The name of this Trust shall be CLEMENS G. KRUSE, JR. AND SANDRA K. KRUSE FAMILY TRUST, dated November 22, 1994.

K. Capacity of a Trustee to Act Individually or Jointly

Where the Trustors are serving as the Trustees of the Trust hereunder, any one of such individuals jointly serving as Trustee, may execute any and all documents and exercise any and all of the powers granted herein in order to carry out the purposes of the Trust herein created as delineated in Article IV above.

L. Required Vote for Successor Trustees

If two individuals are serving as Co-Trustees, such individuals jointly serving must unanimously execute any and all documents and exercise any and all powers granted

herein. If three or more are serving as Joint Trustees, such individuals shall act by majority rule in the execution of documents and exercising of any and all of the powers granted herein by a majority of them and shall have the same effect as an exercise by all of them.

M. Rule Against Perpetuities

Unless terminated at an earlier date under the foregoing provisions, this Trust shall cease on the date which is twenty-one (21) years after the death of the last to die of the beneficiaries in being at the time of the first Trustor to die. Upon such termination, the trust estate remaining shall go and be distributed to the persons then entitled to the income therefrom, in the same shares and proportions as they are at the time entitled to receive such income.

N. Paragraph Headings

The paragraph headings used herein are for clarification only, and in no way define, limit, extend or interpret the scope of this Trust.

O. No Contest Clause

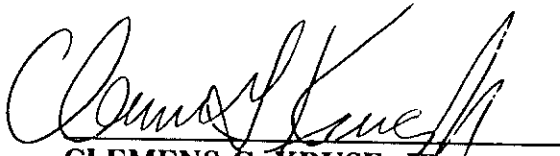
If any beneficiary under this Trust, singularly or in combination with any other person or persons, directly or indirectly contests this Trust or the Wills of the Trustors, in whole or in part, or opposes, objects to, or seeks to invalidate any of the provisions of this Trust or the Wills, or seeks to succeed to any part of the estate of the Trustors other than in the manner specified in this Trust or in the Wills of Trustors, then the right of that person to take any interest given to him or her by this Trust or Wills shall be void, and any gift or other interest in the trust estate to which the beneficiary would otherwise have been entitled shall pass as if he or she had predeceased the Trustors without issue.

[END OF ARTICLE VI]

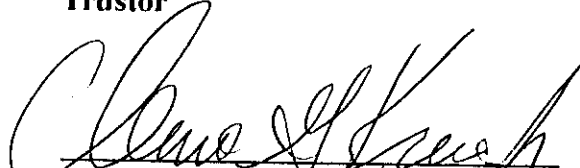
WE, AND EACH OF US, CERTIFY THAT:

1. We have read the foregoing Declaration of Trust.
2. That it correctly states the terms and conditions under which the trust estate is to be held, managed and disposed of by the Trustee.
3. We approve the Declaration of Trust in all particulars, and request that the Trustee execute same.

Executed on November 22, 1994.


CLEMENS G. KRUSE, JR.
 Trustor


SANDRA K. KRUSE
 Trustor

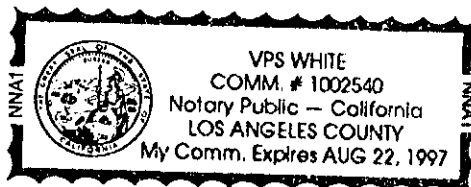

CLEMENS G. KRUSE, JR.
 Trustee


SANDRA K. KRUSE
 Trustee

STATE OF CALIFORNIA)
) SS.
 COUNTY OF LOS ANGELES)

On November 22, 1994, before me, the undersigned, a Notary Public in and for said County and State personally appeared CLEMENS G. KRUSE, JR. and SANDRA K. KRUSE, ~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official Seal.




 Notary Public

GLOSSARY OF TERMS

The following terms may appear in your estate plan documents. The most often applicable definition is given to assist you in understanding and interpreting the provisions of your estate plan documents. This Glossary is **not** a part of the Declaration of Trust.

AGENT - A person designated in the Durable Special Power of Attorney document to act on your behalf to transfer any asset(s) inadvertently left outside of the Trust into the Trust.

AMENDMENT - This is a legal document by which you change the provisions, or add provisions to the Declaration of Trust. It is a separate document and is executed with the same formalities as the Trust. The Amendment, itself, can be changed or revoked.

ATTORNEY IN FACT - A person named by you to act on your behalf. The person you name as your attorney in fact under your Durable Special Power of Attorney may transfer assets into your trust. The person you name as your attorney in fact under your Durable Power of Attorney for Health Care may make health care decisions for you, if and only if you are not able to make your own health care decisions for yourself.

BENEFICIARY - A person for whom a Trust is managed and who eventually receives a portion or all of the trust property. Also may be the recipient of gifts in a Will.

BEQUEST - Refers to leaving personal property by Will.

BOND - A guarantee by a bonding company agreeing to make up for any loss, negligently or criminally caused by an executor.

CHILD(REN) - Refers to child(ren) born of the Trustors which includes adopted children unless you expressly state that adopted children are to be excluded.

CODICIL - An addition to an existing Will. The Codicil may modify, add to, or subtract from, or revoke provisions in the Will. The Codicil is a separate document. It is executed with the same formalities as a Will. The Codicil, itself, can be changed, or revoked at any time.

COMMUNITY PROPERTY - Both real and personal property that was acquired by the husband and wife during the course of their marriage as a result of either spouse's employment. Husband has a one-half undivided interest and wife has a one-half undivided interest. It includes income from employment and assets purchased with that income.

CONSERVATORSHIP - A person appointed by the court who is responsible for you if you were to become incompetent. A conservator may be of the "person" i.e. taking care of person to assure that he or she has food, shelter, etc. or of the "estate" i.e. taking care of the financial matters.

DECEDENT - A person who has died.

DESCENDANT - A direct ancestor of yours. This would be your child, then grandchild, great grandchild, great-great grandchild, etc.

DISCLAIMER OF INTEREST - The legal act of renouncing an inheritance which would then, in turn, pass to another beneficiary.

DURABLE SPECIAL POWER OF ATTORNEY - A document for the specific purpose of appointing an individual(s) to transfer any asset left out of your Trust into your Trust.

EDUCATION - For purpose of the Declaration of Trust "education" shall include, unless you specify otherwise, education at public or private high school, including boarding schools; undergraduate and graduate study in a college or other institution of higher learning and any specialized formal or informal training at a vocational or trade school.

EXECUTOR - An individual or other entity named in a Will to manage and distribute the assets of the person making the Will after his or her death.

FIDUCIARY - A person who acts for another person that is held to the highest standard of care and honesty.

GROSS ESTATE - A term describing the total value of all the assets before any type of deduction or expenditures.

GUARDIAN - This is a person who has been given a legal responsibility for the person of a minor child (under the age of eighteen in California) of a deceased individual by such individual's Will.

HEIR - A person who, under the laws of the state, would be entitled to share in the assets of a deceased individual.

IN KIND - A distribution of a specific asset rather than the monetary equivalent of the asset.

INCAPACITY - By reason of physical or mental impairment a Trustor is unable to manage his or her own affairs.

INCOME - This refers to return on investment as calculated by generally accepted accounting procedures. It is the interest paid on a bank account or dividends paid on stock.

INTER VIVOS TRUST - A Trust established by an individual during his or her lifetime, also known as a Living Trust.

ISSUE - Direct lineal descendants -- children, grandchildren, great grandchildren which may include adopted children if so defined in the Trust.

MARITAL DEDUCTION - It is an unlimited tax credit under federal estate taxes. To qualify for this marital deduction, the property or income from the property must pass to the surviving spouse.

MINOR - A person who is under the legal age to be considered an adult. In California that age is eighteen (18).

PERPETUITIES, RULE AGAINST - The perpetuities clause in the Trust provides that the trusts contained in them terminate automatically at a required time. This protects the legality of the Trust and protects against property being frozen in a trust beyond a certain period of years.

POUR-OVER WILL - As the name implies a pour-over Will is used to transfer property to a Trust that was not transferred to the Trust during the lifetime of the Trustor. Any asset could be transferred to a Trust after the Trustor(s) death through the means of a pour-over Will. It provides for a uniform disposition of your property under the provisions of the Trust. The pour-over Will document accompanies the Trust document. One should not rely upon the pour-over Will to fund one's Trust, since there is a limit of only sixty thousand dollars (\$60,000.00) before probate is required.

POWER OF APPOINTMENT - The surviving Trustor's right to designate the entire trust or a portion of the trust that is to qualify for the marital deduction to himself/herself or to his or her estate exercisable during his or her lifetime. In other words, the surviving Trustor may appoint new beneficiaries.

PRINCIPAL - It includes all assets of the Trust whether in cash or in kind.

PRINCIPLE OF REPRESENTATION - Under this principle, the issue of a deceased beneficiary shares equally in the share of their deceased parent not equally with the other beneficiaries. As an example -- if two children passed away, one leaving two of his/her own children and one leaving three of his/her own children, the family with two children would divide up their parent's share and the family with three children would divide up their parent's share.

PRO RATA - A latin term meaning to divide, share or distribute or assess proportionally.

QUALIFIED TERMINABLE INTEREST PROPERTY - This term refers to property which the surviving spouse has the right to all income for life and the remainder passes to other beneficiaries designed by the first spouse to pass away.

REMAINDER INTEREST - Ownership of property left in trust after a previous owner or the life tenant received all the property benefits to which they were entitled.

REVOCABLE TRUST - A Trust whose terms and provisions can be changed, modified, amended or terminated in whole or in part and the assets returned to the individual(s) titled as they were before being transferred to the Trust. This power is reserved to the Trustor(s) (creator) of the Trust.

REVERSION, NOT BY WAY OF - This phrase deals with the residue of the estate if all specified beneficiaries have died and how it is distributed to heirs. Not by way of reversion simply means that such distribution would not be made by act of the law but as specified by the Trustor(s) in the Trust.

SEPARATE PROPERTY - All property owned by a person before marriage and all property acquired after marriage by gift, bequest, devise or descent, together with rents, issues and profits thereof. Either spouse may convey, encumber or otherwise dispose of his or her separate property without consent of the other.

SPENDTHRIFT PROVISION - This prohibits a beneficiary of a trust from using (spending) the anticipated trust benefits before they receive their share.

TRUST - A legal entity established by a Trust agreement signed by a Trustor which directs the Trustee as to his or her duties and powers in managing property for the benefit of other(s). The Trust is governed by the terms and provisions of the Trust document.

TRUST ESTATE - All the assets transferred to the Living Trust in which title has been re-registered in the name of the Trustee and controlled by the terms of the Living Trust.

TRUSTEE - The individual(s) designated in the Declaration of Trust and charged with the fiduciary responsibility to carry out the terms and provisions of the Trustor(s) as stated in the Trust.

TRUSTOR(S) - The person(s) who establishes the Trust.

UNDIVIDED INTEREST - Title to an undivided portion of an asset that is owned by two or more.